



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

June 23, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Numbers	H/UCLA - 6485985, 6440612	\$475,000
(2)	Account Number	H/UCLA - 6277079	\$16,667
(3)	Account Numbers	LAC + USC- 0607049 and other outpatient accounts	\$5,000

PURPOSE OF THE RECOMMENDED ACTION:

The compromise offer of settlement for patient account (1) is recommended because the patient can not pay the full amount of charges based on her current financial status and this is the highest amount her relatives are willing to contribute to settle the account.
The compromise offers of settlement for patient accounts (2) – (3) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases.

JUSTIFICATION:

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

FISCAL IMPACT:

This will expedite the County's recovery of partial payment totaling approximately \$496,667.

FINANCING:

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in tort settlements are divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and the lawyer.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

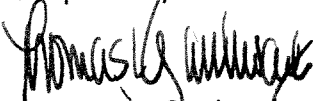
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:lg (R:\ASTECKER\COMPROMISEBRDLTR#33\LETTER)

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: June 23, 2005

Total Charges	\$661,774	Account Number	6485985, 6440612
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$661,774	Dates of Service	09/02/2004 - 09/10/2004 09/27/2004 – 01/11/2005
Compromise Amount Offered	\$475,000	% of Charges	71.78%
Amount to be Written Off	\$186,774	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$661,774 for medical services rendered. The patient qualified for ATP with no liability but has offered to pay a portion of the account using money voluntarily provided by non-responsible family members. Based on financial information provided, it appears that the amount offered is the maximum amount the County would be able to collect on this account, as the patient does not have additional financial means.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: June 23, 2005

Total Charges	\$104,082	Account Number	6277079
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$104,082	Date of Service	06/14/2004 – 06/22/2004
Compromise Amount Offered	\$16,667	% Of Charges	16.01%
Amount to be Written Off	\$87,415	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient of \$104,082 for medical services rendered. The patient's third-party claim has been settled for \$50,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$20,000	\$16,666	33.3%
H/UCLA Medical Center	\$104,667	\$16,667	33.4%
Patient	-	\$16,667	33.4%
Total		\$50,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: June 23, 2005

Total Charges	\$126,290	Account Number	0607049 and other outpatient accounts
Amount Paid	\$0	Service Type	Inpatient and Outpatient
Balance Due	\$126,290	Date of Service	11/06/2003 – 11/26/2003 and other dates of service
Compromise Amount Offered	\$5,000	% Of Charges	3.96%
Amount to be Written Off	\$121,290	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient of \$126,290 for medical services rendered. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$6,000	\$5,000	33.3%
Attorney Cost	\$513	\$0	-
LAC+USC Medical Center	\$126,290	\$5,000	33.4%
Patient	-	\$5,000	33.4%
Total		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.